

Message Text

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ORIGIN NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIE-00 INRE-00 NSCE-00 SSO-00 OMB-01 AID-05 IGA-02

EB-07 COME-00 TRSE-00 ACDA-05 MC-02 DOTE-00 /085 R

444FTED BY NEA/RA:SEPALMERJR/NEA/ARP:RAHERNE(PARA 7):BAM
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PM/SAS:DKEENE
NEA/AFN:STESCUDEURO
EUR/WE (INFO)
H:RFLATEN

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O P 120208Z FEB 76
FM SECSTATE WASHDC
TO AMEMBASSY JIDDA IMMEDIATE
AMEMBASSY RABAT IMMEDIATE
AMEMBASSY TEL AVIV IMMEDIATE
INFO AMEMBASSY ALGIERS PRIORITY
AMEMBASSY CAIRO PRIORITY
AMEMBASSY MADRID PRIORITY
AMEMBASSY AMMAN PRIORITY
AMEMBASSY DAMASCUS PRIORITY

C O N F I D E N T I A L STATE 034154

E.O. 11652: GDS

TAGS: MASS, PFOR, US, SA, MO

SUBJECT: SAUDI AND MOROCCAN FMS CASES TO CONGRESS

1. THE DEPARTMENT HAS BEGUN INFORMALLY TO BRIEF PERTINENT
CONGRESSIONAL MEMBERS AND STAFF ABOUT FMS LETTERS OF OFFER
(LOA) WHICH ARE TO BE SENT UNDER THE NELSON AMENDMENT TO
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THE CONGRESS AS IT RECONVENES NEXT WEEK. SEVEN OF THE CASES

ARE FOR SAUDI ARABIA; TWO FOR MOROCCO. RESOLUTIONS OF DISAPPROVAL ON THE SAUDI CASES MAY BE INTRODUCED, IN WHICH CASE HEARINGS WILL BE HELD TOWARD THE END OF THE MONTH. PRESS COMMENTARIES ON THE SAUDI CASES HAVE COMMENCED.

2. ABOUT THREE-QUARTERS OF THE FUNDS INVOLVED IN THE SAUDI CASES ARE FOR CONSTRUCTION PROJECTS:

A. DOL 300 MILLION FOR WORK BY CORPS OF ENGINEERS ON TWO CARGO-HANDLING PORT FACILITIES;

B. DOL 593.5 MILLION AMENDMENT TO PROGRAM FOR CONSTRUCTION OF THREE ON-SHORE FACILITIES UNDER SAUDI NAVAL EXPANSION PROGRAM.

3. THERE ARE FIVE OTHER SAUDI CASES, ENTAILING VULCAN ANTI-AIRCRAFT SYSTEMS (DOL 40.7 MILLION), ARMORED PERSONNEL CARRIERS (DOL 124.4 MILLION), M-60A1 TANKS (DOL 118.2 MILLION), AND MAVERICK AGM 65A AIR-TO-GROUND MISSILES (DOL 47.0 MILLION). ALL EXCEPT THE MAVERICK LOA ARE PART OF AN AGREED FMS PROGRAM TO MECHANIZE TWO EXISTING INFANTRY BRIGADES.

4. FOR MOROCCO, ONE LOA INVOLVES THE DRAGON SYSTEM (DOL 57.4 MILLION); THE OTHER F-5E AND F-5F AIRCRAFT (DOL 135 MILLION). BOTH CASES INCLUDE TRAINING AND SUPPORT.

5. FEB 11 STORIES IN WASHINGTON POST AND BALTIMORE SUN HIGHLIGHT THE APPROXIMATELY DOL 1.2 BILLION TOTAL OF THESE "ARM" SALES TO SAUDI ARABIA. DON OBERDORFER IN THE POST WEAVES IN SAUDI DISCRIMINATION ISSUE AND NOTES THAT A

CUTOFF OF ARMS SALES "WOULD BRING ON A MAJOR CONFRONTATION WITH A COUNTRY WHOSE OIL POLICIES ARE CENTRAL TO THE U.S. AND WORLD ECONOMIES." THE SUN REPORTS ISRAELIS, DEEPLY DISTURBED, CONTEND THAT U.S. ARMS SOLD TO SAUDIS WILL ULTIMATELY BE USED AGAINST ISRAEL.

6. ADDRESSEES SHOULD IN RESPONSE TO EXPRESSIONS OF CONCERN OR INTEREST BY HOST GOVERNMENT OFFICIALS ABOUT THE MAGNIFICENTIAL

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TUDE, COMPOSITION OR TIMING OF THESE PURCHASES, STRESS THAT THESE CAREFULLY CONSIDERED TRANSACTIONS HAVE BEEN IN PROCESS A LONG TIME; THEY ARE UNRELATED TO CURRENT EVENTS, IN THE SAHARA OR ELSEWHERE. DELIVERIES WILL NOT OCCUR IN THE NEAR FUTURE; SOME ARE SCHEDULED FOR 1977, BUT MOST FOR 1978 OR LATER. THUS, THESE SALES ARE PART OF OUR ONGOING RELATIONSHIPS WITH THE TWO COUNTRIES. WE PERCEIVE NO VALID CAUSE FOR CONCERN ON THE PART OF THIRD COUNTRIES.

WITH THE EXCEPTION OF THE FIGURES FOR THE SAUDI CONSTRUCTION PROJECTS, WHICH ARE UNCLASSIFIED, NO SPECIFICS SHOULD BE PROVIDED TO THIRD PARTIES.

7. FOR JIDDA: SHOULD SAUDIS EXPRESS CONCERN ABOUT PUBLICITY, YOU MAY WISH TO REMIND THEM THAT THESE ARE THE CASES WHICH ASSISTANT SECRETARY ATHERTON ASSURED THEM WOULD BE SUBMITTED PROMPTLY FOR CONGRESSIONAL REVIEW. PUBLICITY IS NOT SURPRISING, NOR NECESSARILY HURTFUL; WE ARE IN FACT ENCOURAGING PRESENTATION OF FULL RATIONALE FOR THESE SALES IN ORDER TO SHOW THAT THEY ARE REASONABLE AND WILL NOT UPSET BALANCE OF FORCES IN THE AREA. WE EXPECT THAT THERE WILL BE FURTHER PUBLICITY, PROBABLY PEAKING AT TIME OF LIKELY CONGRESSIONAL HEARINGS ON THE SUBJECT. REGARDLESS OF HOW SALES ARE TREATED IN MEDIA AVAILABLE TO SAUDIS, YOU MAY WISH TO REASSURE THEM THAT WE WILL BE MAKING MAXIMUM EFFORT WITH THE CONGRESS AND PUBLIC OPINION TO ASSURE THEM THAT PROGRAM PROCEEDS ON SCHEDULE.

8. DEPUTY ASSISTANT SECRETARY SOBER BRIEFED AMBASSADOR ALIREZA ON FEBRUARY 11 REGARDING PENDING SAUDI CASES AND OUR BEGINNING OF CONSULTATIONS WITH CONGRESS. SOBER NOTED THAT THE VARIOUS CASES WE INTEND TO PRESENT TO CONGRESS NEXT WEEK AFTER RECESS WOULD ENSURE THAT AGREED MECHANIZATION PROGRAM FOR TWO INFANTRY BRIGADES SHOULD BE ABLE TO PROCEED ON SCHEDULE. SOBER INDICATED THAT THERE WAS A POSSIBILITY THAT OBJECTIONS MIGHT BE RAISED IN CONGRESS, UNDER EXISTING PROCEDURES, AND THAT HEARINGS MIGHT THEN BE SCHEDULED ON OUR PROPOSED LOA'S. INGERSOLL

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